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NEWSBRIEFS

Chili's success recipe mixes growth, culture

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Restaurants, hotels ready for

Carc

Picking the right consultant

ort Hochstein/Page 22

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Nation's
Restaurant News®

The Weekly Newspaper of the Food-Service Industry

Vol. 22, No. 51 | Published every Monday by Lebhar-Friedman Inc.; $3 a copy, $29.50 a year | December 19, 1988

NRN Photo

Employees of Chicago's Drake Hotel enjoy employee Christmas party.

Operators celebrate holiday banquet boom

By Carolyn Walkup

The private party business is giving some restaurant operators a reason for celebrating this holiday season.

While December traditionally is the busiest banquet month because of corporate Christmas parties, operators are crediting a strong economy for the increase in the number of businesses that are throwing dinner parties for their employees and clients.

In Boston, December bookings are running 40 percent ahead of last year's at 57 Restaurant.

In Atlanta banquets at The Abbey restaurant are up 10 percent over last year's.

In Chicago, the Drake Hotel reported a 7-percent increase.

At 57 Restaurant in the 57 Park Plaza hotel complex in Boston, sales director Paul Landry said The Continental and Greek restaurant has been hosting parties, largely for Boston's Greek and Jewish communities, for 18 years and does about 30 percent more banquets in December than in any other month.

"Parties have become a very big part of our life here," said John McCarthy, co-owner of the two-year-old Whitney restaurant in Detroit, a restored Victorian mansion where

*(See **CATERING**, page 4)*

Restaurants donate to charitable causes

In the holiday spirit, chains and independents are donating food and money to help the needy.

Page 3

Burger King shifts marketing chiefs

Irate franchisees spark latest upheaval

By Peter Romeo

MIAMI — While Burger King's fate is being decided in a Minneapolis boardroom, the fast feeder is attempting to put its house in order by changing marketing chiefs for the second time in six months.

The chain has returned Don Dempsey, formerly executive vice president of the Northeast region, to the position of marketing director, a job he originally held three years ago.

The reassignment comes at a time when Burger King is considering the possibility of hiring a second advertising agency to improve its much-criticized television commer-

*(See **BK**, page 98)*

BK turnover reflects turmoil

Page 7

Food suppliers race deal-making deadline

By Charles Bernstein

News Analysis

Food-service supplier acquisitions heated up this month as companies raced to beat year-end tax deadlines and capitalize on the hands-off mergers policy of the Reagan administration. The deals have reached such staggering proportions that $1 billion offers are being scoffed at as meaning nothing.

If President-elect George Bush is not necessarily in a mood to encourage anti-merger actions, the Democratic-controlled Congress certainly is.

Rep. Dan Rostenkowski, D-Ill., chairman of the House Ways and Means Committee, is set to launch special hearings on a proposal to bar tax deductions on takeover debt interest

*(See **MERGERS**, page 98)*

Cash crisis spurs Le Peep shakeup

By Alan Liddle

DENVER — Cash-strapped Le Peep Restaurants Inc., operator and franchisor of 64 breakfast-only restaurants, has closed its New York offices and is restructuring its board of directors.

News of the office consolidation and the resignation of as many as six of Le Peep's seven board members coincided with disclosures that the chain's losses are continuing to mount. For

*(See **LE PEEP**, page 98)*

NOTE TO READERS

Because of the holidays, Nation's Restaurant News will not be published Dec. 26. The next issue will be Jan. 2.

We wish all our readers the happiest of holidays and a successful New Year.

FOOD WATCH

Power lunch

NEW YORK — The president and president-elect of the United States and the general secretary of the Soviet Union conducted heavy world matters over a very light lunch here.

Ronald Reagan, George Bush, Mikhail Gorbachev, and 11 of their top political minions sat down on Governors Island to a three-course "nouvelle" lunch prepared by executive chef John Doherty, executive

*(See **POWER**, page 98)*

CHARLES BERNSTEIN ON CHILI'S CHALLENGE: NO DIVERSIFICATION— F3

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Vol. 22, No. 51 Dec. 19, 1988

NEWS DIGEST

Grand Met-Pillsbury talks raise chance of higher bid

MINNEAPOLIS — Negotiations between Grand Metropolitan PLC and its takeover prey, Pillsbury Co., have raised the possibility that Grand Met will sweeten its purchase bid a second time to complete the acquisition on friendly terms.

Before tendering the current offer of $63 per share, Grand Met agreed to pay $65 if Pillsbury would agree to a merger. But Pillsbury rejected the incentive, declaring that it would not accept less than $68 per issue.

Grand Met increased its bid for the first time, to $63 from $60, days before a judge was to rule on the validity of Pillsbury's poison pill defense. Grand Met has said it will not proceed with the takeover unless the measure is nullified.

Pillsbury would rescind the poison pill if a merger agreement is reached.

Church's shuts 120 units, seeks to derail Copeland bid

SAN ANTONIO, Texas — Church's Fried Chicken has closed about 120 unprofitable units, or approximately 8 percent of the chain's total stores, in an effort to plug a drain on cash flow.

The closings came on the heels of Church's request that a federal court permanently enjoin A. Copeland Enterprises from bidding for the chain. A court has suspended Copeland's takeover attempt until the suitor discloses what information it received from an executive who formerly worked for Church's.

Church's, which has been mired in a prolonged sales slump, would fetch a higher price if it were financially stronger.

H&H, Riese end talks, opening door to buyout

NEW YORK — In a move that opens the door to a takeover attempt, Horn & Hardart Co. has terminated negotiations to sell certain properties here to a shareholding partnership that includes Irving and Murray Riese.

Horn & Hardart had agreed to deal exclusively with the partners for the real-estate parcels, many of which house food-service outlets. Under the terms of the agreement, the Riese partnership, which holds a 6.9-percent stake in Horn & Hardart, would not acquire additional shares or take any action relating to a change of control in the company for 30 days.

Horn & Hardart and the Riese partnership were unable to agree on a price for the land.

Coniston representative meets with TW directors

NEW YORK — Coniston Partners disclosed that a representative had met with two directors of TW Services in an attempt to convince TW's board that a merger with Coniston would be in the company's best interest.

Coniston also said that it would "promptly" submit a merger plan to the board of TW, which operates Denny's and Canteen Corp.

The Coniston representative met with the TW directors about one week after TW again urged stockholders to rebuff Coniston's $1.4 billion takeover bid. TW also asked stockholders who have already tendered shares to renege on their agreement to sell.

Massey exits El Pollo Loco; Scott moves into new top slot

LA MIRADA, Calif. — Howard F. Massey has resigned as president of El Pollo Loco to become a franchisee of the Mexican-style grilled chicken chain, a division of Denny's Inc. His position was eliminated.

Bernard Scott, a 15-year Denny's veteran, was named to El Pollo Loco's new top post of senior operations vice president and general manager. He reports to Denny's Inc. president Samuel H. Maw.

Scott joined the 148-unit chicken chain in September as operations vice president after serving as operations director for the 150-unit Florida division of Denny's Restaurants.

Massey, a 17-year veteran of Denny's and its former senior operations vice president, was named El Pollo Loco's president in 1986.

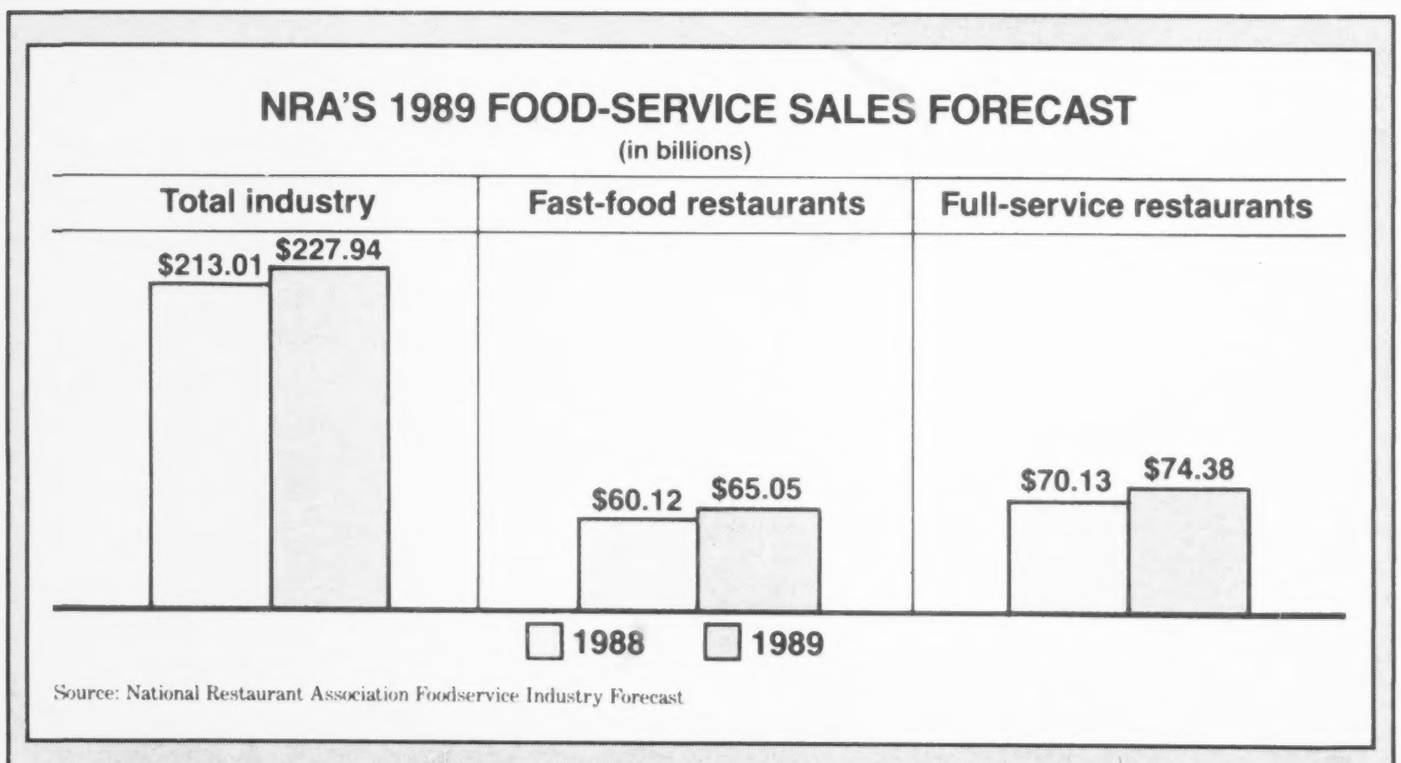
Sis says loan default won't close restaurants

NORTH OLMSTEAD, Ohio — Sis Corp., franchisor of the Sisters Chicken & Biscuits chain, said its restaurants will remain open while the company searches for a way to meet lenders' demands for overdue loan payments.

Sis has said that it might have to file for bankruptcy protection if it is unable to secure bridge financing.

The chain's two principal lenders, which have been waiting for the repayments since Sept. 30, have refused to grant Sis more time to obtain intermediate financing.

Sis, noting that it is "encouraged by discussions with our suppliers," expressed confidence that company stores could remain open despite lenders' demands.



NRA predicts slower growth in '89

NEW YORK — Food-service sales will inch upward by an inflation-adjusted 2.2 percent next year, marking a slowdown from the 2.6-percent real growth rate logged in 1988, according to the National Restaurant Association.

Sales will total $227.3 billion, surpassing this year's tally by $14.3 billion, the NRA said in a recently released forecast.

Fast-food places will again outpace the rest of the industry, raising sales to $65.1 billion through a 3.6-percent rise in customer traffic, according to the forecast.

Full-service restaurants should take in $74.4 billion in 1989, for an inflation-adjusted sales increase of 1.5 percent, the NRA said.

The fastest-growing food-service segments next year will be airline catering, which should experience a 5-percent jump in real sales, and in-store restaurants, which will gain 4.9 percent in real sales, according to the forecast.

Poll: Diners shrug off contamination reports

By Rajan Chaudhry

Reports of contaminated meats, seafood, and poultry are unlikely to dissuade consumers from ordering those items when they dine out, according to an exclusive Nation's Restaurant News-SRI poll.

In recent months restaurateurs have had ample reason for biting their nails as the news of pollution-induced beach closings was splashed on front pages nationwide and poultry inspection methods were called into question before millions of TV viewers. But a survey, conducted for NRN by SRI Research Center of Lincoln, Neb., suggested it will take more than banner headlines to make customers forgo their filet mignon or lobster Newburg.

According to the poll, the image of beef seems least tainted by bad press, with 68 percent of those queried saying they have heard of no reports of contamination in the past 12 months. Such is not the case, however, with fish, poultry, and eggs.

Fully 64 percent of the survey's 1,000 respondents said they've read, seen, or heard reports regarding the possible dangers of both pollution-tainted fish and salmonella-infected poultry or eggs. Nevertheless, 62 percent said the negative exposure has not affected the way they order fish in a restaurant, and 66 percent said exposure has not affected the way they order poultry and eggs.

Only 11 percent of those who reported exposure to negative information have stopped ordering fish, and a paltry 4 percent said they have begun ordering fish less frequently.

Likewise, 9 percent of those who said they have heard reports of salmonella infection have stopped ordering poultry and eggs, and a mere 4 percent said they order less.

Of respondents who reported that they've heard accounts of beef contamination by farm chemicals, 78 percent said their ordering habits are unchanged, while scarcely 3 percent have stopped ordering beef, and 7 percent now order less.

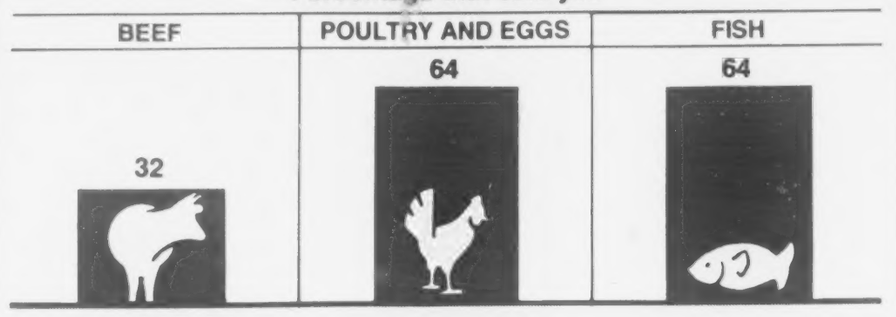
A small number of customers — 6 percent for beef, 10 percent for fish, and 7 percent for poultry and eggs — said that they are more cautious when ordering since becoming aware of potential hazards.

Consumer behavior is fairly consistent in terms of gender; however, 6 percent of female respondents said they have become more cautious when ordering poultry and egg dishes vs. only 2 percent of men. And women, 9 percent, are also more than twice as likely as men, 4 percent, to say they have stopped ordering fish.

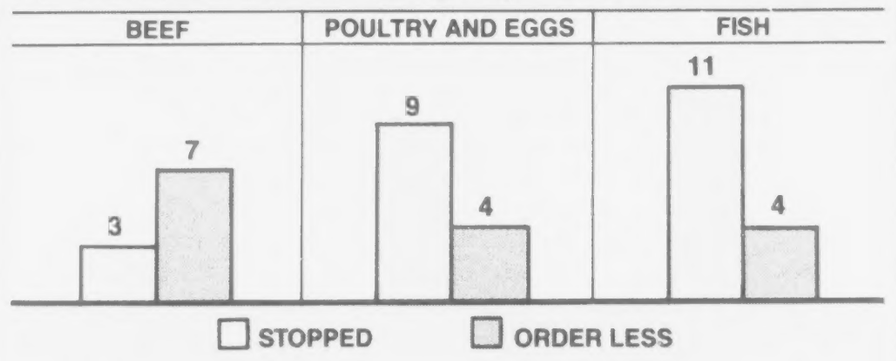
Regionally, consumers in the Northeast, 11 percent, are much more likely than respondents in the South Central, 4 percent, North Central, 5 percent, or West, 6 percent, to say they have stopped ordering fish altogether.

In the past 12 months have you heard anything about contamination of beef, fish, poultry?

Percentage that said yes



Percentage of respondents who have stopped ordering or order less since learning of potential contamination



Restaurants spread goodwill with holiday donations

By Ken Frydman

NEW YORK — 'Tis the season for giving, and restaurants have gotten into the charitable holiday spirit.

During the traditional holiday season from Thanksgiving to New Year's, such organizations as Share Our Strength (SOS), the Greater Cnicago Food Depository, the Chef and the Child, and Citymeals-on-Wheels are the beneficiaries of food and money donated by benevolent independent and chain restaurants around the country.

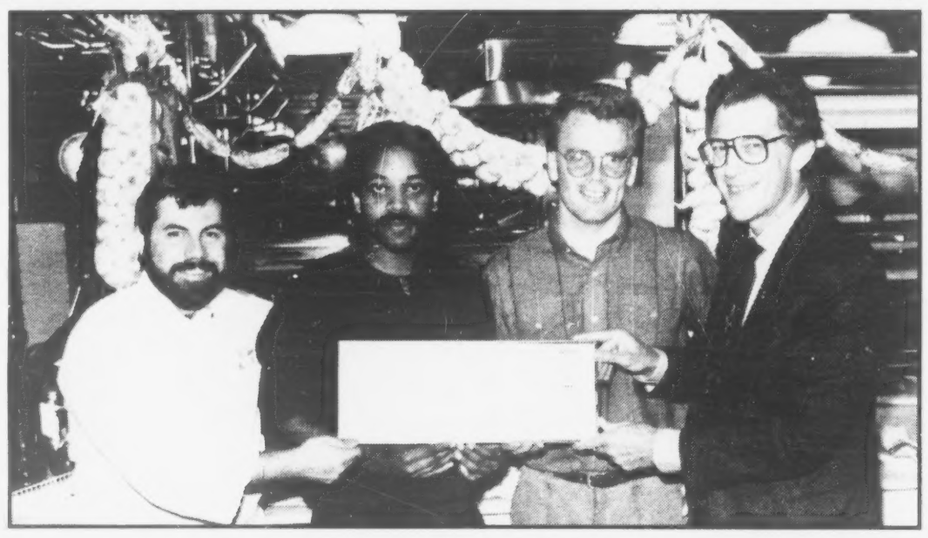
These seasonal goodwill gestures feed the hungry, the homeless, the homebound, and the ill.

Clive DuVal, owner and chef of Tila's "Nouvelle Latin" in Chevy Chase, Md., is a strong believer in "giving something back." Most recently, he hosted 200 homeless people from area shelters for a full Thanksgiving dinner in his restaurant, continuing an annual tradition he began at his Tila's in Houston.

"We got donations of time and talents from a magician, buses and drivers to transport the homeless families, and our chefs, waiters, waitresses, and kitchen staff," DuVal said.

DuVal sits on the board of directors of SOS, a nationwide network of restaurants and high-profile chefs like Wolfgang Puck, Jeremiah Tower, and Alice Waters, who team to fight hunger through food banks. Four-year-old SOS, which has more than 600 member restaurants, worked with DuVal to organize the Thanksgiving dinner.

In California the business of food charities has become considerably less problematic since the state legislature passed a new law limiting the handling, distributing, and serving liability for food donors.



From left, Ciao chef Albert Paris; Steven Harris-Barton and Robert Tobin of Central City Hospitality House; and Spectrum Foods president Charles Frank show off a check for $2,000 that Ristorante Ciao raised for the homeless.

Thanks to the law, "Second Helpings," a new joint project of the San Francisco Professional Food Society and the Second Harvest Food Bank of Santa Clara and San Mateo counties, estimates that it can salvage more than 1 million pounds of surplus perishable foods yearly from local restaurants. Second Helpings sends its trucks and voluntary personnel to collect donations of food from participating restaurants, caterers, and institutions for delivery to food banks, soup kitchens, and shelters for the homeless.

"We put together the Second Helpings program to galvanize local restaurateurs and institutional food-service operators to salvage surplus food," said Chef Bradley Ogden of San Francisco's Campton Place hotel.

MacArthur Park, the four-unit, white-tablecloth chain operated by the Spectrum Foods' arm of American Restaurant Group, and the Princeton Inn restaurant in San Francisco also took part in Second Helpings.

Meanwhile, "Next Serving," the follow-up to last year's "First Serving," fed 5,000 hungry people earlier

*(See **CHARITIES**, page 4)*

Four bidders jockey for revived Pioneer Take Out

By Richard Martin

LOS ANGELES — At least four rival bidders are lining up to buy the struggling but somewhat revitalized Pioneer Take Out Corp. fried-chicken franchise system at a Jan. 9 hearing in federal bankruptcy court here.

The chain's founder and former president, H.R. "Rick" Kaufman, is expected to be among the field of prospective buyers, along with Intercoastal Properties, a Woodland Hills, Calif., firm whose earlier agreement to purchase 200-unit Pioneer failed to win court approval in October.

Pioneer, whose seriously faltering sales have rebounded sharply since humorous, anti-Kentucky Fried Chicken advertisements began to air on television last June, could fetch between $8 million and $10 million for its creditors, according to Tom Wheelock, Pioneer's interim president.

His West Los Angeles "crisis management" firm, Mellert Hankin Inc., was hired to run the troubled chain by court-appointed trustee Jeffrey C. Coyne last January.

The court stripped Kaufman of control when he filed for Chapter 11 protection after repossessing Pioneer from a buyer group that had operated the chain for only a few weeks. The seizure by Kaufman followed a dispute with the buyers over purchase payments that were withheld because of his alleged misrepresentation of Pioneer's debts.

At the time of Kaufman's bankruptcy filing in January, Pioneer placed its assets at $40.7 million and its debts at $34.9 million. However, an audit report last year, ordered by state regulators who had temporarily suspended Pioneer's franchise-sales license because of apparent insolvency, put the chain's more probable net value in the $3 million range. The report raised doubts that Pioneer could ever recoup some $5.3 million in loans to Kaufman's holding company, Transpacific Industries Corp.

Kaufman initially sold Pioneer last December after the franchisor was hit with a $25 million class action suit by franchisees who alleged he had fraudulently diverted their sublease rent payments, sales royalties, and advertising fees into unrelated business ventures. The plaintiffs said those diversions caused them to face frequent threats of eviction and rendered Pioneer incapable of providing contracted support services.

Backed by loyal franchisees, Kaufman denied the charges and countersued for $40 million. The suits are still awaiting trial, but a tentative settlement agreement is pending, a source said.

More recently Kaufman sued trustee Coyne over the disputed rights to Pioneer leases executed before 1983. An attorney for Coyne said Kaufman claims those leases should not be put up for competitive bidding next month along with Pioneer's trademark, franchise rights, and other store leases.

The court is expected to rule on Kaufman's suit when it selects a buyer whose overall terms are most favorable to Pioneer's creditors.

Pioneer's foremost secured creditor will itself be a hopeful bidder for the chain. Intercoastal Properties, an affiliate of the Malibu Grand Prix chain of self-drive miniature race tracks, lent Pioneer $500,000 as a prelude to its unsuccessful acquisition attempt this summer.

Although Intercoastal had obtained purchase approval from Pioneer's franchisees and creditors in July, the chain's unsecured creditors withdrew their support before an October court hearing. An attorney for trustee Coyne said the creditors backed down because of Intercoastal's plan to forgive certain debts owed by franchisees and because the would-be buyer's recovered court costs would further subordinate unsecured claims.

Wheelock described the Jan. 9 court hearing as a "simplified" sales process without preferred bidders, giving any party the opportunity to "overbid."

Among next month's anticipated field of bidders for Pioneer, including Kaufman and a Beverly Hills investment group, only Intercoastal Properties has publicly hinted at its plans for the chain.

"We have a fairly definitive gameplan," said Intercoastal's Rob Wilson. "We intend to preserve all the licensees and as many company stores as are left when we hopefully take control. Then we'll consolidate our position and begin an expansion program."

MARKETING

McD ad awareness dips in NRN Adtrack poll

Decline comes despite Muppet Babies promo

By Bill Carlino

LINCOLN, Neb. — McDonald's, which jumped three percentage points in top-of-mind advertising awareness during the October Nation's Restaurant News Adtrack Poll, suffered a two-point decline in November.

McDonald's dip in awareness came despite a media blitz touting its new plush Muppet Babies toy promotion.

Company officials could not be reached for comment.

McDonald's still remained far ahead of the pack in overall recall. The hamburger giant was named by 49 percent of the consumers who were asked, "Of all the fast-food advertising that you have read, seen or heard, which advertising first comes to mind?"

Designed to gauge advertising effectiveness, the monthly NRN Adtrack Poll surveys a sample of 1,000 consumers across the country.

Meanwhile, Hardee's, which was buoyed by a national television commercial highlighting its California Raisins promotion, climbed two percentage points to grab a total of 6 percent of consumers recalling Hardee's advertising first.

In November the 3,000-unit hamburger chain rolled out a $5 million promotion offering doll-size replicas of the California Raisins characters and augmented it with a 30-second commercial created by the New York shop of Ogilvy & Mather. The spot ran in an estimated 90 markets.

It marked the third California Raisins promotion staged by Hardee's in 1988. In previous California Raisin campaigns, Hardee's offered figurine replicas. For November's marketing push, Hardee's upgraded the figurines to bendable plush dolls.

"Hardee's wanted its TV spot to be different from other commercials featuring the California Raisins," said a representative for Ogilvy.

"In the past the Raisins on-screen movement was done using the Claymation process," the spokesman said. "But the current commercial employs 'Animatronics,' a stop-action photographic process using mechanical models."

The 30-second spot sees the Raisins, who are lounging in a pool. One character fields a telephone call from another character called Mr. Hardee. After listening for a moment, the former replies excitedly that the Raisins would be glad to go back on tour.

The group then boards a pink convertible bearing the Hardee's slogan "We're Out to Win You Over" emblazoned on the trunk. The commercial features the first female Raisinette."

Burger King, which is still floundering with the "We do it like you do it" campaign of N.W. Ayer, remained stagnant at 13 percent for the second consecutive month.

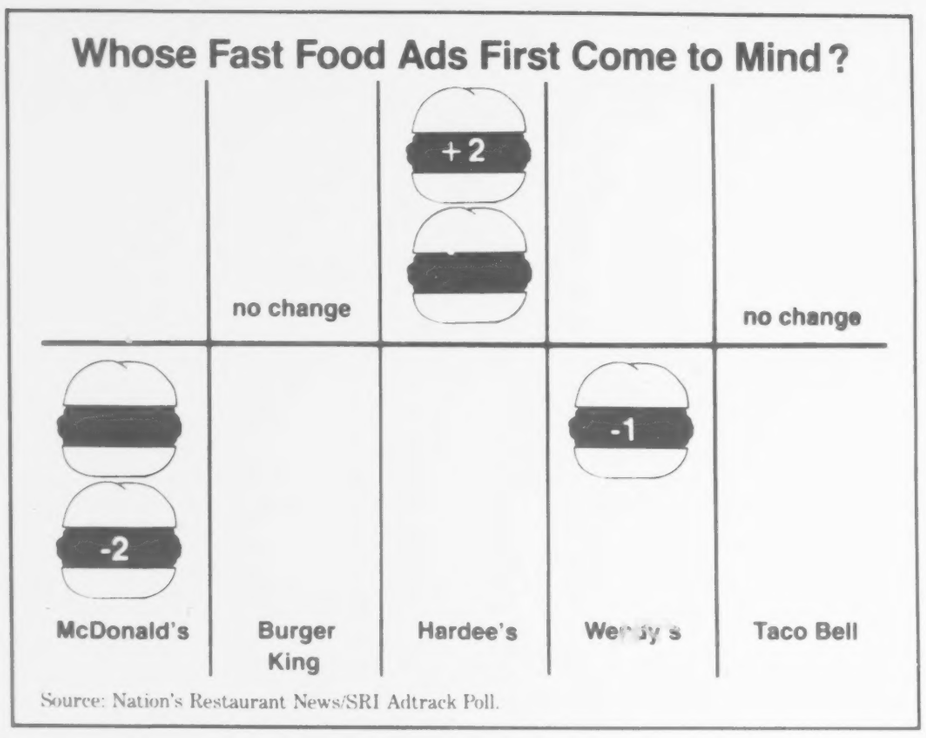
Rumors circulating throughout the industry say the burger giant is considering an agency switch for its $215 million creative account.

Wendy's, which had alternated two-point gains and losses during the past four surveys, slid for the second consecutive month, to 6 percent, while Taco Bell remained steady, at 2 percent.

The 6,000-unit Pizza Hut climbed a single-percentage point to snare 2 percent of survey participants.

Pizza Hut's rise was attributed to a television campaign created by BBDO-Worldwide.

The spots highlighted the chain's co-promotional licensing agreement with J.C. Penney department stores and the newly released movie "Land Before Time."



Source: Nation's Restaurant News/SRI Adtrack Poll.

AD WATCH

It's Easy to Win!

Come into Rax today and get your lucky number booklet plus valuable Rax coupons. Each week for four weeks, you could win an exciting Grand Prize or a delicious food prize! Just check your lucky number with the winning numbers posted at participating Rax Restaurants each week during the sweepstakes period. If your number matches ours, you're a winner!

Get Your Lucky Number Coupon Booklet Now at Rax! Hurry, supply is limited! Lucky Number booklets distributed through Dec. 18, 1988.

1. No purchase necessary. Must be 18 years or older to win. Lucky Number Booklets distributed through December 18, 1988, or while supplies last.
2. Lucky Number coupon booklets can be obtained by sending a self-addressed stamped envelope to "Lucky Number Contest," c/o HMS, Inc., 14th Floor, 10 West Broad Street, Columbus, Ohio 43215. All requests must be received by close of business Dec. 13.
3. See further official game rules and details at participating Rax Restaurants. Void where prohibited by law.

'Tis better to win than receive: **That's the hope of Rax customers as the 500-unit chain kicks off its annual lucky number holiday sweepstakes. This year's contest, titled "Rax To Riches," features prizes ranging from discounted Rax coupons to a trip for two to Europe via the supersonic Concorde. The ad appeared as a point-of-purchase promotion in all Rax units and local print ads.**

"AdWatch" submissions should be either proofs, prints, or stills of a new print, direct mail, or television advertisement for a restaurant or restaurant chain, with accompanying information on the responsible agency name, if any, and the media time and placement schedule. Submissions should be sent to: Marketing Editor, Nation's Restaurant News, 425 Park Ave., New York, N.Y. 10022.

NRN MARKETING DIGEST

Whataburger rolls football promo

CORPUS CHRISTI, Texas — Whataburger, the 400-unit fast feeder here, will send 20 people to Super Bowl XXIII in Miami as part of 10 grand prizes in its $1.6 million "Snap-Action Giveaway" contest.

Slated to run through December, Snap-Action Giveaway is a point-of-purchase card promotion in which customers scratch off prize "windows," including one showing one-half of an authentic Super Bowl ticket. If someone scratches off the matching ticket half on a subsequent card, he or she becomes an instant Super Bowl grand prize winner.

Snap Action Giveaway will be featured throughout radio, television, and newspaper campaigns. Runner-up prizes include $1,000 in cash and Whataburger gift certificates.

Resorts taps ad agency

NASSAU, Bahamas — The Resorts International hotel complex here has selected Robinson, Tesawich & Pepperdine, an Orlando, Fla.-based advertising and marketing company as the agency of record for its $3 million account.

The complex, which game-show tycoon Merv Griffin recently acquired, is the largest resort complex in the Caribbean. The Resorts portfolio includes the 1,200-room Paradise Island Resort and Casino, the 71-room Ocean club, as well as the Paradise, Paradise Beach Resort, a 100-room facilty.

Power company supports cafe

DULUTH, Minn. — Minnesota Power, a local utility company, has donated $1,000 in support of the Special Tea Cafe, an instructional restaurant that trains mildly retarded students for jobs in the food-service industry.

Currently nine students are enrolled in the school, which is located in the Duluth YWCA. The Special Tea Cafe features breakfast, sandwiches, and soups, all of which are cooked and served by the students.

More than 70 percent of the students who completed the program last year are employed in local restaurants.

Dirks named Hilton marketing vp

BEVERLY HILLS, Calif. — Robert E. Dirks has been named vice president of marketing programs for Hilton Hotels Corp.

An employee of Hilton Hotels since 1972, Dirks will oversee the company's guest rewards program, leisure marketing concepts, and customer service.

FOCUS | VIEWPOINT

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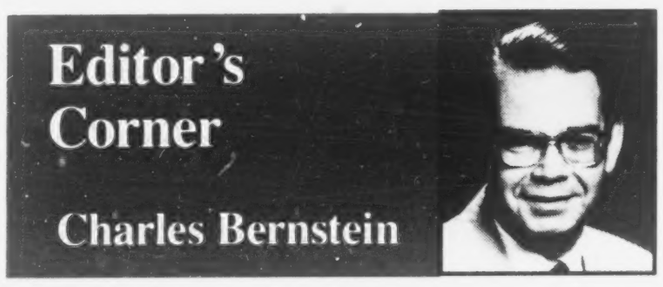
Chili's challenge: no diversification

Chili's phenomenal success is detailed in this issue. It deservedly is the chain of the year, with a steady growth record in units, sales, and profits. But whether it will be the chain of the future depends on whether it sticks to the basics and eschews the diversification trap.

Chili's has come a long way in the five years since chairman Norman Brinker took it over from founder-entrepreneur Larry Lavine, who had set the stage for an eventual winning scenario. Lavine never really envisioned wide menu expansion, a national chain, or any diversification push beyond his beloved Chili's.



In some ways Chili's is an extension of "Brinker's Boys," as his protégés were termed at Steak & Ale, which he founded in 1965. Chili's president Ron McDougall and new strategic planning vice president Lane Cardwell are S & A alumni. A spirit of camaraderie, challenge, and achievement pervades the halls of Chili's at all levels.

Nevertheless, we find it hard to grasp why Brinker and his strategists are still focusing on diversification and spin-off ideas. Why not concentrate all strategic, human-resource, and financial efforts on the one concept that seems almost a sure winner, Chili's?

Brinker indicates he made a mistake in the Taco Cabana joint venture deal. The idea was to develop a chain of Mexican cafes that conceivably could rival Chili's own full-service dinner-house success.

The partners were too intent on rolling out units as fast as possible, and the concept never jelled for Brinker despite Taco Cabana's apparent recent victory in a court suit against competitor Two Pesos.

Brinker also halted development of a Flyer's Island Express drive-thru hamburger chain after opening six units. The concept did not mesh with the full-service niche that he has targeted.

It is perfectly understandable that Brinker would experiment with some of these ideas for a while. "This business has to be fun, and you've always got to be trying new things" is his philosophy.

He has gradually and brilliantly introduced menu nuances each year to widen the market appeal of Chili's. He built on its original status as a hamburger chain and molded it into a leader of the casual restaurant segment of Bennigan's, Houlihan's, T.G.I. Friday's, and Houston's — without the emphasis on drinks.

Brinker added Tex-Mex items to the menu a few years ago and more recently launched a seafood platter and began to test a grilled-tuna salad and a rib-eye steak. All this would give Chili's even more appeal.

Furthermore, he has seasoned franchisees with numerous sites. Dunkin' Donuts' Robert Rosenberg in New England and Dennis Riese in the New York area are prime examples.

Yet Brinker and his team continue to search for one or two more casual dinner-house chains that can be molded into full-service powers offering an alternative to Chili's. They are eying a few key chains on a potential list that once numbered 2,700.

We feel it would make far more sense for Chili's to exercise its leadership in the casual dinner-house segment by focusing all efforts on continued menu refinements for maximum appeal. With 157 units now, it has the managerial and financial capacity to add 50 more units annually for the next several years. It also has plans for a massive overseas effort in countries where its casual concept would be particularly attractive.

Frequently, chains that seem headed for success have moved toward an eventual tailspin by taking their eye off the ball and diversifying into related concepts. The diffusion of resources needed for such ventures inevitably undermines the original concept.

At Steak and Ale, Brinker finally felt he had to develop an alternative to steak, and he came up with Bennigan's. Now he has Chili's going head-to-head with Bennigan's in many markets. But he should not have to develop an alternate to Chili's, which still has immense untapped potential.

We simply don't buy the idea that once Chili's hits 300 or 400 domestic units, it will be saturated in the U.S. and will have nowhere to grow; hence, the alleged need for an alternative.

The only casual restaurant chain growing at the same pace as Chili's is General Mills' Olive Garden Italian dinner houses. Why would Brinker do anything to dilute the clear-cut niche he has established?

Imasco U.S.A. and its Hardee's chain apparently learned the lesson that a diversified move (albeit into a different segment) makes no sense when one has a winning chain in the first place. Imasco now seeks to sell Grisanti's Italian dinner houses.

Of course, McDonald's doesn't need any allied concept, although the chain once dabbled with pie shops and other ideas on the side.

It is fine to try new ideas as long as they don't run away with themselves. The more one concentrates maximum forces in a specific area, the higher the chances of success.

Rather than a constant search for feasible related concepts, what we hope to see from Chili's in the next few years is a focus on building the basic nuances that have made it shine: full-service in just 20 to 40 minutes per meal from an astutely trained staff able to turn the tables 12 times daily.

LETTERS

Grass-roots politics work for food-service industry

To our nation's restaurateurs:

Thank you for your participation in the industry's grass-roots program.

Last winter, during my term as president of the National Restaurant Association, I challenged you to become actively involved in the industry's grass-roots effort. At that time lawmakers were attempting to push through Congress a series of bills that would have devastated our industry.

Among these were an increase in the minimum wage, mandated parental leave, and mandated health benefits, all of which would have had detrimental effects on even the most prosperous food-service operation.

The response to my call was overwhelming. More than 102,000 food-service operators sent messages to Congress through the National Restaurant Association, and NRA members attended more than 560 meetings with their congressmen and senators. As a result of this grass-roots political action, the labor agenda was blocked; not one of the above- mentioned bills became law.

It is more significant that our industry has proved that grass-roots political activity *does* work. We joined together to voice very legitimate objections to proposed laws, and our legislators listened.

It is our responsibility to inform Congress about the importance of maintaining the health, viability, and profitability of the food-service industry and the contribution that this industry makes to employment, taxes, and the general welfare.

I am very proud of all of you, and I congratulate the food-service industry on its perseverance and determination to use the political system in order to control its own fate.

However, we must not rest on our laurels. When the 101st Congress convenes in 1989, the industry must be poised for action to ensure that all proposed new laws are fair and do not place an onerous burden on any of us.

Once again, I thank each and every one of you who came together and supported our industry during a most difficult time in 1988, and I urge you to support the current National Restaurant Association chairman and president Jim Peterson in what is certain to be an ongoing battle.

— Michael J. Grisanti
past chairman and president
National Restaurant Association
president
Grisanti's Inc.
Louisville, Ky.

Luckey: a missed friend and a giant among peers

Editor, NRN:

Thank you for the extraordinary article about the passing of our friend, Bob Luckey, in NRN on Oct. 17, 1988.

It would be impossible to adequately describe in words the Bob Luckey that we all knew and loved, but the article relayed his message well.

Bob was a giant among his peers, and all will miss him!

— Bob Ross
president
Olde World Cheese Shop Inc.
South Pasadena, Fla.

FOCUS | NRN

Unsung heroes of the Culinary Olympics

By Ken Frydman

FRANKFURT, West Germany — Most of the attention and critical acclaim at the recent Culinary Olympics here was lavished on the official national and regional teams representing 30 nations.

However, thousands of chefs were performing outside the spotlight in the open competition and also earned gold, silver, and bronze medals in cold food buffet, hot-food-displayed-cold, hot restaurant meal, and pastry competitions.

For instance, chefs from the Sheraton Corp. won a total of 46 open competition medals. Awards presented to Sheraton's Culinary Olympics team included the "1988 Gold Prize" and the "Gold with Distinction" for a perfect score. In addition, Sheraton chefs took home 22 gold medals, 13 silver medals, and nine bronze medals.

Sheraton's global team, from 17 countries on five continents, represented company hotels in Argentina, Australia, Austria, Belgium, Brazil, Canada, China, Denmark, Egypt, Great Britian, Hong Kong, Japan, Kuwait, Morocco, Singapore, the United States, and West Germany.

America's chapter of the Chaine des Rotisseurs, one of the world's oldest and largest gourmet societies, fielded a 10-man team for the Culinary Olympics. That team, headed by team captain Noel Cullen, director of operations for the culinary arts division of Johnson and & Wales College in Providence, R.I., won 13 gold, 10 silver, and two bronze medals and received a gold and silver plaque for its "overall outstanding achievement."

Michigan's team took two gold cloverleafs and nine gold medals, thus winning more gold medals than did any other U.S. single-state team. Three members of Michigan's team were also awarded the event's highest distinction, a gold medal with distinction. The "perfect" chefs were Joseph Beato, executive chef at the Henry Ford Hospital in Detroit; Matthew Naughton, former chef at the Orchard Lake Country Club in Orchard Lake; and Mark Kuzma, executive chef of the Somerset Inn in Troy.

Meanwhile, the New York team was not to be outdone. The Big Apple contingent won the grand prize in gold, the grand prize in silver, and 25 other medals.

However, not everyone competing in the Culinary Olympics was a professional chef. The six-person student culinary team from Johnson & Wales won the gold cloverleaf award in the restaurant plates category. The university's faculty and administration, which competed on senior regional teams, brought home a Gold Grand Prix award, five gold medals, a gold cloverleaf, a gold plaque, two silver medals, and a bronze one.

Results of Independent American teams in the Culinary Olympics open competition

(Teams listed are those which registered through the American Culinary Federation)

	Gold Clover Leaf	Gold	Silver	Bronze
New England Regional Culinary Team	7	12	2	1
U.S. Army Culinary Arts Team	10	9	2	1
Walt Disney World Culinary Team	0	13	2	0
Chaine des Rotisseurs Team	1	12	10	2
New York Culinary Team	6	5	9	5
Michigan Culinary Team	0	10	0	0
Les Toques Blanches Internationale USA	1	6	10	9
Pittsburgh Regional Culinary Team	3	4	4	0
ACF Western Regional Team	1	2	14	11
Oregon Chefs de Cuisine Society	0	3	5	7
Big D Texas Culinary Team '88	1	2	5	2
Grand Rapids Junior College	0	2	4	5
Lodge of the Four Seasons Team	0	1	5	0
Natural Foods Team	0	0	2	0
Washington State Olympic Team	0	0	1	3
Johnson & Wales Student Team	6	0	0	0

Source: The American Culinary Federation

Sheraton contest winners travel to Culinary Olympics

BOSTON — The Sheraton Corp. did more than send a team of its chefs to the recent Culinary Olympics in Frankfurt, West Germany.

Four winners of the hotel company's "Culinary Festival Sweepstakes" received all-expense-paid trips to the Culinary Olympics. The sweepstakes winners were Patricia Patterson of Dallas; George Karabatsos of San Jose, Calif.; Pamela Butler from Houston; and James Lopez of New York. Bernard Juban, food and beverage director of the Sheraton Tucson El Conquistador hotel, won the trip for producing the contest's best food display.

Sheraton's 35 Culinary Olympic chefs represented 17 countries and five continents. They won 46 medals at the culinary arts competition, including 22 gold.

Below: William Higgins, general manager of the Palace Hotel in Philadelphia, congratulates Stacy Radin, pastry chef and member of the US culinary team that represented the United States in the Culinary Olympics. Radin won a 'gold distinction' and two gold medals in the individual pastry competition. She was one of two women on the 14-member team.

Above: The student culinary team of Johnson & Wales University displays the Gold Clover Leaf medals won at the Culinary Olympics. The students are flanked by Johnson & Wales' gold medal-winning faculty members. From left are: George O'Palenick, chef instructor, member of the Chaine des Rotisseurs USA team; Lars Johansson, director of the University's International Baking & Pastry Institute, member of the New England Regional ACF Team; students Doug Alley, Suzanne Finkele, Christine Stamm, Danella McWilliams, Bill Erlhenbach, and Wendy Geiler, captain; Noel Cullen, director of operations at the Culinary Arts Division, Student Culinary Team manager and captain of the Chaine Team; and George Higgins, chef instructor and New England ACF team member.